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TRANSCRIPT OF  
DCI REMARKS  
TO  
ASSOCIATION OF FORMER INTELLIGENCE OFFICERS  
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Looking around and seeing all the professionals in the audience I am sort of reminded of a fellow who loved to talk about the Johnstown flood. There came a time when he passed away, he was received by St. Peter, who found him a pretty good fellow, heard he loved to talk about the Johnstown flood, so he gathered a group of people around him up there and he started out telling how the waters had gathered and came crashing down. He was just about reaching his finale when St. Peter reached over, tapped him on the shoulder and he said, "By the way, I forgot to tell you that Noah is in the audience."

Despite the turbulence and winds of the political season, I am pleased to be with you this evening. Those winds may be at their peak this weekend or they may windier over the next two weeks. In any event, I appreciate the opportunity to thank each of you for the encouragement, understanding, and support that we get from AFIO. You have implemented the theme of your tenth annual conference here, "The Eyes and Ears of the Free World," in so many ways with your interests and constant encouragements, support for our recruiting, our legislative deeds, the way you manage to take the sting out of the news stories when we felt helplessly maligned, and for all that we are most grateful.

In the wake of the bombing of the Embassy in Beirut and the crashing of a reconnaissance plane in El Salvador, we are reminded all too keenly that intelligence officers risk and give their lives to preserve freedom and to protect our national security.

Tonight I would like to talk to you about how intelligence has changed, the new challenges we face, and the progress that has been made in rebuilding our capabilities over the last few years.

When I was appointed DCI, President Reagan defined specific things he wanted to have accomplished. They were:

- ° Reestablishing the President's Foreign Intelligence Advisory Board.
- ° Legislation on criminal sanctions against disclosing the identities of agents.
- ° Relief from the Freedom of Information Act.

- Undertaking an urgent effort to rebuild the intelligence agencies.
- And to improve capabilities for technical and clandestine collection, cogent analysis, counterintelligence, and capabilities to influence international events vital to our national interests and security.

I think this a particularly appropriate time to review this because just last week the President signed legislation exempting CIA's operational files from Freedom of Information Act requests and without the support that some of you have provided in this effort, that would not be likely to have happened. With this, we can feel comfortable that all of these objectives have either been attained or are well under way. The Foreign Intelligence Advisory Board is functioning effectively; Identities legislation has been enacted into law; with the approval of the 1985 budget, we have in hand the resources need to complete over 80 percent of a five-year program to rebuild from the 40 percent reduction in funding and the 50 percent reduction in personnel which the Intelligence Community suffered during the 70s. And the balance will be in the budget which Congress will act on next

year, 1985. All this could not have been accomplished without support that AFIO has given to every aspect of this program in so many ways.

Where are we today? There appears to be a general conviction among our people that the Intelligence Community has never been in better shape. We have rebounded from the cuts of the 70s. We have a growing and dedicated workforce. A new headquarters building completed for the Defense Intelligence Agency and one is under construction at CIA. A bigger budget. Improved morale. I think we are fit, healthy, and have rededicated ourselves to the Community-wide exercise of excellence.

Now many of you, as myself, were around at the birth of our national intelligence service. If you were to return today, many things would be familiar. The commitment and dedication, the willingness to challenge the conventional wisdom, the basic principles of a sound analysis and effective collection which are enduring, the can-do spirit which has always characterized the Intelligence Community. At the same time you would find much that is new.

One dramatic difference is in the number of targets. The Soviet Union is still our primary focus, as it was in the

immediate post WW II period, but other targets have become important. Today, many of this country's enemies operate mostly underground, dealing with drugs, terror, and blueprints, as well as weapons and subversion across international borders and wherever instability and revolution can be fermented or generated.

The Soviets continue to generate and expand a large arsenal of nuclear weapons aimed at the United States, East Asia, and Europe. New missiles and missile-carrying aircraft and submarines are being designed, developed, tested, and deployed in amazing profusion. This augmented by work carried on over the last decade to improve their missile defenses.

In Europe the Warsaw Pact conventional forces outnumber NATO in troop strength, tanks, guns, and planes. Smart bombs, anti-tank and anti-aircraft missiles, along with other sophisticated conventional weapons are being deployed in an increasingly forward and aggressive manner. And a growing number of long-range missiles are aimed at capital cities and military targets in Western Europe.

But the main threat from the Soviets may lie elsewhere. As early 1962, Khrushchev told us that Communism would win--not through nuclear war which could destroy the world today, or

even conventional war which could lead to nuclear war--but rather through wars of national liberation in Africa, Asia, and Latin America. Today, after 20 years of promoting and supporting such wars, the Soviet and their proxies have bases in Afghanistan, Angola, Vietnam, Ethiopia, Cuba, and Nicaragua, from which further attacks are being made as we stand in Pakistan, El Salvador, Sudan, Kampuchea, and where next?

But for the last few years there has been a difference. Whereas in the 1960 and 1970s anti-Western causes attracted recruits throughout the Third World, the 1980s have emerged as the decade of guerrillas resisting Communist regimes. Today in Afghanistan, Angola, Cambodia, Ethiopia, and Nicaragua thousands of ordinary people are volunteers in irregular wars against the Soviet Army or Soviet-supported regimes. More than a quarter of a million people have taken up arms against Communist oppression in these countries.

Yet Moscow views the Third World as our Achilles Heel and the increasing economic and social strains in underdeveloped countries will afford them many opportunities in the future.

To implement its overall strategy, the Soviets use the world apparatus of the KGB, plus 70 non-governing Communist

parties, plus peace and friendship societies all over the world directed from Moscow, plus the East German, Cuban, and other Bloc intelligence services--all of them working to steal our technology, to damage our reputation, to divide us from our friends, to destabilize, subvert and overthrow governments friendly to us. Rumors, agents of influence, keep press and radio facilities and forgeries spreading poison around the world, they need to be spotted and countered.

CIA is the organization in the free world most capable of dealing effectively with this enormous apparatus and frustrating its objectives. Terrorism is a new weapons system which is dissolving the boundaries between war and peace. We've seen it move from plastic charges, to assassinations, to hijacking, to car bombs, and we now worry about nuclear and biological terrorism.

Major terrorist organizations and a great many more "mom and pop shops" can be hired by aggressive and radical governments to serve as instruments of their foreign policy. And U.S. facilities and people and their major targets. These terrorists operate in small groups on a need-to-know basis. Last year there were more than 550 serious terrorist attacks worldwide and all of us feel all too keenly the three disasters that we've suffered in Beirut. Yet we have developed a

worldwide counterterrorism network through intelligence exchanges, technical support, training and close relationships with intelligence and security services around the world. Terrorist attacks have been thwarted and rescue operations have been carried out in many parts of the world.

Narcotics is another problem that is engaging more and more of our attention. There is a steady flow of drugs into the United States from South America, the Golden Triangle of Southeast Asia, from Afghanistan, Pakistan, and Iran. The methods by which drugs smugglers bring narcotics into this country defy the imagination. Some of the huge amounts of money being made in drugs are used to finance terrorists and revolutionary political groups around the world.

Additional resources are being committed to collecting information about narcotics and dedicate more people are analyzing that information. Coordination between intelligence and the law enforcement agencies is improving steadily.

Another challenging question of enhanced importance, is the task of determining the state of Soviet technology and science and the potential to carry for military and strategic technological surprise.

In some technology areas, Soviet capability rivals our own; although the periodic estimates we produce show that the U.S. remains in the lead in most critical categories. However, we can't afford to be complacent. Soviets are making remarkable progress and they are doing it with our help.

During the late 1970's the Soviets got about 30,000 samples of Western production equipment, weapons, and military components and over 400,000 technical documents, both classified and unclassified. In 1981, we organized the Technology Transfer Assessment Center which established the increased power, accuracy, precision, and sophistication of Soviet weapons which we're now incurring budget-busting appropriation on account of. All this has come from the acquisition and use of our technology to a much greater extent than we had ever dreamed.

How do the Soviets get so much of our technical know-how? In many ways--they comb through our open literature, buy through legal channels, attend our scientific and technical conferences, and send their students here to study. They use dummy firms in sophisticated international diversion operations, some legal, some illegal, to purchase Western technology. We know of some 300 firms operating from more than 30 countries worldwide engaged in these trade diversion

schemes. Finally, technology acquisition has become probably the highest priority of the KGB and the GRU. For some 15 years they have brought about 100 young engineers and technicians a year into their organization to develop a specialized unit of perhaps 1,000 people devoted to espionage and theft of Western technology. During 1982, this emerging threat and its cost was briefed extensively to our liaison services. Over the last year and a half well over 150 Soviet agents, most of them engaged in technology theft, have been arrested or expelled or defected in well over 20 countries around the world. Successes have also been achieved in recovering stolen technology, blocking shipments, and breaking up the technology smuggling rings. And yet there is much to be done in this area.

In addition to these changes and increasingly complex targets, enhanced technical and human intelligence collection will intensify the challenge of processing and analyzing the vast amount of information that's coming in every day. We will cope with this by using supercomputers and, further in the future, probably with artificial intelligence of various kinds counterdirecting in the national defense. Plans are under way to improve and expand the Community's computer databases so that analysts in different components can better share their ideas and hundreds of analysts now have terminals right at

their desks to read, compose, edit, and file. And NSA struggles valiantly with the demanding, serious security aspects of these new communications systems.

A great deal was heard about the purging of the clandestine apparatus in the late 1970s. Less well known is the massive departure of professionals from the analytical side of the CIA during that same period. Nearly half of our analysts left between 1977 and 1981. The strength of our analytical corps has been restored and the quality of its work improved. From a low point in 1980 of only 12 national estimates, we now publish over 50 national estimates a year, as well as 25 other intelligence assessments. In addition, we complete about 1,000 major research projects on a nearly inconceivable range of subjects from Soviet weapons systems to political instability, the now worldwide reach of the Soviet Union, heroin production and distribution, black market arms trade, population and debt problems, and so on. All in addition to the regular stream of periodicals--dailies, weeklies, monthlies, and quarterlies.

Another dramatic difference, certainly from the earlier days of intelligence, is a closer public scrutiny that all our activities get today. Congress is more involved in our activities through the Congressional oversight process and the

press covers us more assiduously. In this relationship with the press, some tension is inherent. Journalists are committed to finding out the most that they can about us. We are committed to protecting legitimate secrets. But while intelligence should not be divorced from the public opinion, neither should it be overly concerned with the daily shifts, and ups and downs, of public criticism or praise.

To get the assistance of people around the world who share our values and want to help us in this work, the American Intelligence Community must maintain a reputation for integrity, confidentiality, reliability, and security. The quality of the intelligence produced, the loyalty and dedication of our people, and a large number of Americans interested in joining our ranks--there were 150,000 applicants last year--demonstrates that we do maintain that kind of reputation despite a drumbeat of criticism in the media. With few exceptions the highly publicized charges made against the CIA during the mid-70s, turned out to be false. The charges were on the front pages and their reputations buried away so that few people noted them. And this ordeal was terminated by leaders in the Congress who spoke up and declared that the Intelligence Community had indeed been libeled and traduced. Out of this came a Congressional Oversight process that assures

that special activities in the cycle of intelligence are known and scrutinized by elective legislatures responsible directly to the people. Still, intelligence takes a lot of flack.

For decades CIA has generally not responded to criticism publicly and certainly not in detail. Public understanding and support is so vital today that we can no longer always suffer in silence. Sometimes the record needs to be put straight. We do sometimes succeed in getting false stories retracted, distorted stories corrected.

Our relationship with the press has been through several swings of the pendulum--from freer, though cautious access, to "batten down the hatches." We have found that the best approach is to maintain a dialogue when possible, always making clear that our first priority is to protect classified sources and methods. Out of this process, I think journalists realize that while our press people may not be able to tell them much, what they do tell them is the truth. Most journalists are responsible and most do try to be right. But even one inaccurate story that we are helpless to rebut can cause a lot of damage to sources and methods, to U.S. credibility, to crucial negotiations. They can provide propaganda fodder for our adversaries and save the KGB time and money.

We put a lot of effort into giving the Congress the information it needs to discharge its oversight and legislative obligations using a substantial legislative staff and close to 1,000 briefings a year by intelligence analysts. It is vital to maintain public and policymaker confidence in not only the quality but in the integrity of our assessments. For that we depend on the integrity of our analysts in a process which is designed and operated to assure that all substantiated points of view are heard, considered, and reflected in estimates.

Nearly all our assessments go to the two Congressional oversight committees whose members and staffs are in a position to detect any bias. All estimates are reviewed by the chiefs of all the components of the Intelligence Community sitting together at the board of estimates. They are encouraged and charged to provide the judgments developed in their components, and to stake out dissenting views. In a recent estimate, which the media claimed to have been slanted, it turns out that half of this board held one view, the other half another. Each view was spelled out on the first page of the estimate. We also work to gather outside information. Resources for outside expertise to help and critique our analysis have almost tripled and we've conducted a massive campaign to put our analysts in touch with experts in the private sector, universities, think tanks, and private businesses here and abroad.

These assessments of ours are not produced in an ivory tower atmosphere. The debates and clash of ideas sometimes are rough. No one's views--from the Director to the newest analyst--are protected from challenge and criticism. It is not a place for delicate egos or mediocrity or people with a special agenda. But out of that process, despite its imperfections, comes the best, the most comprehensive, most objective intelligence reporting in the world. And our critics help keep it that way.

Intelligence, despite criticism, rides high in the American public. Keeping this performance up over the long term, depends on attracting some of the best young people in America. We are hiring about one out of every hundred who want to tackle the challenge of our work and even less if we're talking about operations offices or analytical work. Our recruitment work is exacting and exhaustive but our standards remain high and will not be lowered. A number of future leaders of our organization have been spotted and recruited by the alumni in this audience. I ask each of you to exploit any avenue open to you to help find superior quality people we need, and to encourage them to consider an intelligence career. Here you can, and have helped us enormously.

Finally I would say that these years as Director of Central Intelligence have been a rich and gratifying experience for me. I am honored to serve with the dedicated officers who are carrying on a fine tradition of quality, hard work, and commitment that many of you here started. Today as a nation we are facing up to some hard realities--realities that a democratic society often finds it difficult to acknowledge. We have rebuilt our defenses as well as our intelligence service. These twin pillars, if backed by a national will to remain prepared, will ensure the peace and preserve our freedoms.

Thank you for your continuing support and for listening to these comments of mine. Thank you very much.